STATEMENT OF BILL WILKINS, ASSOCIATE ADMINISTRATOR FOR POLICY AND INTERNATIONAL AVIATION AFFAIRS, FEDERAL AVIATION ADMINISTRATION, BEFORE THE HOUSE PUBLIC WORKS AND TRANSPORTATION COMMITTEE, SUBCOMMITTEE ON AVIATION, CONCERNING EQUIPMENT AVAILABLE TO THE COMMUTERS. JULY 30, 1980.

Mr. Chairman and Members of the Subcommittee:

I am pleased to have the opportunity to appear before you today on the subject of the aircraft available to the commuters. The Subcommittee's interest in this area reflects not only the growing importance of the commuters to this country's air transportation system but a concern for the continued viability of the commuter industry.

Since the enactment of the Airline Deregulation Act in 1978, the commuters have experienced dramatic growth--an almost twenty percent increase in enplaned passengers from 1978 to 1979. We expect that growth rate to decrease gradually, with a growth rate of about 14 percent in the next year decreasing to an average eight percent growth rate after 1984 as the industry matures and adjustments for deregulation are complete. We expect the number of passengers enplaned by commuter airlines to grow from the 12 million in 1979 to almost 19 million by the end of 1983.

Following the Deregulation Act, there was a substantial demand in the commuter industry for additional aircraft, and because

the Deregulation Act relaxed size restrictions for commuter aircraft, there has been an accelerated trend toward the larger aircraft, particularly by the larger commuter airlines. This relatively sudden surge of demand for larger, more sophisticated commuter type aircraft has caused a shortage of deliverable aircraft, which we believe to be temporary in nature. To meet the increased demand, manufacturers are currently stepping up production of existing models and bringing new aircraft such as the DeHavilland Dash-8 and Fairchild/SAAB commuter on line. We expect that manufacturers should catch up with demand in about two to three years.

There has also been impetus in the Federal Government to lay the foundation for future, improved commuter aircraft. The FAA, for example, has been working to develop a new Part 24 that will provide for the first time certification standards tailored for commuter-sized aircraft. Moreover, NASA sponsored a study which developed design standards for the next generation commuter aircraft which includes guidelines of 19 to 30 passengers, pressurization, standup headroom, and increased fuel efficiency. Over time, these efforts will assist industry in the development of equipment which will offer greater safety as well as passenger comfort.

I have attached to my prepared statement a list which shows, as of June 30, 1979, the composition of the commuter fleet as reported to the CAB. We estimate that since that time there have been added an additional 15 Bandeirantes, 11 DeHavilland Dash-7s, 19 Shorts-330s, 10 Swearingen Metros, and about 15 smaller aircraft to the fleet. As is apparent from this list, much of the demand for commuter aircraft has been met by foreign manufacturers. And foreign manufacturers have also moved quickly to meet the rising demand for the larger commuter aircraft. A major reason for this is that until recent years there has been little demand within the domestic U.S. market for intermediate-sized aircraft. Constraints on the size of the aircraft which could be used by the commuters led to their use of relatively small aircraft, while the major carriers' tendency has been to purchase large aircraft, resulting in little or no U.S. market for intermediate-sized aircraft.

Today, that market exists. Though foreign manufacturers continue to dominate, there is some positive movement on the part of manufacturers in the United States to meet the demands that now exist. For example, as reflected on the chart attached to my prepared statement, Beech is developing a Beech 1900 that will carry 19 passengers; Fairchild, in a joint effort with SAAB, is developing a commuter aircraft capable of

carrying 34 passengers; Gulfstream American has developed the Gulfstream I-C which is a 38 passenger airplane. We expect that, as the intermediate-sized aircraft becomes more established in the American air transportation system, we will see even more activity on the part of domestic manufacturers to develop intermediate-sized aircraft.

In the interim, however, the shortage of intermediate-sized aircraft means, according to a recent spotcheck we made, that delays in delivery of current production aircraft range from 10 months to 1 1/2 years from the date an aircraft is ordered. As I said earlier, we believe this is temporary and should be resolved within the next two to three years.

Mr. Chairman, that completes my prepared statement. I would be pleased to respond to questions you may have at this time.